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Co-Lead Counsel and Settlement Class Counsel

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

IN RE JUUL LABS, INC., MARKETING,
SALES PRACTICES, AND PRODUCTS
LIABILITY LITIGATION

This Document Relates to:

CLASS ACTIONS

CASE NO. 19-md-02913-WHO

**CLASS PLAINTIFFS' STATUS UPDATE
AND REQUEST FOR ORDER
AUTHORIZING DISTRIBUTION OF JLI
AND ALTRIA CLASS ACTION
SETTLEMENT FUNDS**

HON. WILLIAM H. ORRICK III

1 The Court granted final approval of the Class Action Settlements with JLI and Altria. Dkts.
2 4138, 4212. After Class Counsel and the Settlement Administrator, Epiq, completed the claims review
3 process, the Court authorized distribution of the Net Settlement Fund to 842,004 claimants. Dkt. 4326.
4 Class Counsel provides this update on the distribution process and settlement administration costs, and
5 also requests the Court's approval of a distribution of funds to claimants who have been approved for
6 payment after going through the dispute resolution process.

7 **Distribution of Settlement Funds for Approved Disputes.** In its order authorizing the initial
8 distribution of funds, the Court authorized holding back a reserve for contested claims. Since the initial
9 distribution of funds to claimants in October 2024, the dispute resolution process has been underway.
10 Epiq maintains an inbox for claimants to submit disputes regarding their payment amount or the denial
11 of their claim, and received over 15,000 dispute submissions, including nearly 3,000 disputes from
12 claimants and over 12,000 emails that appear to be form submissions programmatically sent by a small
13 number of entities using bots. Epiq has conducted a review of these disputes, and in consultation with
14 Class Counsel, recommends that certain disputes be approved and others (including the 12,000 "bot"
15 disputes) be rejected at this time. For many of the disputes that are approved, Epiq is prepared to
16 distribute funds now if the Court approves; for others, disputing claimants are being given time to
17 submit documentation to support the purchase amounts claimed, and Epiq will be able to calculate the
18 amount of their distributions in the near term once that time elapses. Class Counsel thus request
19 approval to distribute funds to all claimants whose disputes are approved, so that funds can be
20 distributed without delay.

21 Class Counsel proposes that the distribution to approved disputing claimants come from two
22 sources: (1) the class reserve for contested claims, and (2) unclaimed funds from the initial distribution,
23 where payments have become stale and money returned to the Net Settlement Fund. Some payments
24 from the initial distribution are not yet stale—namely paper checks that could still be cashed and certain
25 digital payments where the Settlement Administrator is still attempting to contact the class member to
26 complete payment. But for others, including digital payments that failed or expired, the time for
27 claimants to take the necessary steps to claim the funds has passed.

1 Class Counsel thus request that the Court void the claims with stale payments and approve the
 2 use of those unclaimed funds to pay successful disputing claimants. If approved, the class reserve and
 3 the current amount of unclaimed funds will be sufficient to provide payments to claimants whose
 4 disputes are approved. Class Counsel recommend this approach to ensure that those claimants receive
 5 the same pro rata share based on their approved purchase amounts as claimants in the initial distribution
 6 process, because the class reserve alone is insufficient to do so. This approach will also minimize the
 7 ultimate amount of unclaimed funds in the settlement.

8 Once all of the payments from the initial distribution become stale, Class Counsel will submit a
 9 recommendation to the Court for the handling of any remaining unspent funds per the Plan of
 10 Allocation. *See* Dkt. 4082-3 (Plan of Allocation) at ¶¶ 4.1-4.2 (providing for redistribution among
 11 eligible claimants if feasible and economical, or distribution “to an appropriate recipient” with Court
 12 approval if not).

13 **Administration Expenses.** Class Counsel also provides the following update and request for
 14 approval to pay additional settlement administration expenses.

15 The Court pre-authorized payment of up to \$6,000,000 in administration costs and directed
 16 Class Counsel to seek approval of payments above that amount with supporting documentation. *E.g.*,
 17 Dkt. 4212 (Altria Final Approval) at 16. In December 2024, the Court approved payment of Epiq’s
 18 invoices through October 2024, with administration costs totaling \$6,129,900.22. Dkt. 4350.

19 Epiq has continued its work on the settlements, including continued efforts to complete the
 20 initial distribution of funds, responding to a high volume of inquiries from claimants, and analyzing the
 21 disputes submitted. Epiq’s invoices for the JLI and Altria settlements for November 2024 through
 22 January 2025 are attached as Exhibit A. The invoices total \$626,986.20, bringing the overall total of
 23 administration costs in these settlements to \$6,756,886.42. Class Counsel believes these costs were
 24 reasonably incurred, and seeks the Court’s approval for full payment of the attached invoices of
 25 \$626,986.20.

26 In this case, Epiq has committed to limit its costs for settlement administration to \$7.5 million.
 27 Dkts. 4218; 4218-1 ¶ 48. Class Counsel will continue to submit additional invoices periodically going
 28

1 forward, and work with Epiq to complete the administration of the Settlements in an efficient and cost-
2 effective manner.

3 A proposed order is submitted with this request.

4
5 Dated: February 28, 2025

Respectfully submitted,

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7 By: /s/ Dena C. Sharp

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CERTIFICATE OF SERVICE

I hereby certify that on February 28, 2025, I caused the foregoing document to be electronically filed with the Clerk of the Court using the CM/ECF system, which will automatically send notification of the filing to all counsel of record.

/s/ Dena C. Sharp
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